

Regulatory Boards

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2019 Total App	FY 2019 Actual	FY 2020 Approp	FY 2021 Request	FY 2021 Gov Rec
BY PROGRAM					
Board of Accountancy	552,500	434,800	691,000	575,800	569,300
Board of Engineers & Surveyors	805,300	775,200	841,500	850,100	843,700
Bureau of Occupational Licenses	5,405,800	4,287,300	4,632,300	5,014,000	6,417,900
Outfitters & Guides Licensing Bd	610,900	580,500	629,200	640,700	633,100
Real Estate Commission	1,627,400	1,373,800	1,689,800	1,710,200	1,638,900
Total:	9,001,900	7,451,600	8,483,800	8,790,800	10,102,900
BY FUND CATEGORY					
Dedicated	9,001,900	7,451,600	8,483,800	8,790,800	10,102,900
Percent Change:		(17.2%)	13.9%	3.6%	19.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	4,974,000	4,691,100	5,203,900	5,561,500	5,349,400
Operating Expenditures	3,952,600	2,671,700	3,197,100	3,133,400	4,657,600
Capital Outlay	20,200	55,400	27,700	40,800	40,800
Trustee/Benefit	55,100	33,400	55,100	55,100	55,100
Total:	9,001,900	7,451,600	8,483,800	8,790,800	10,102,900
Full-Time Positions (FTP)	70.00	70.00	72.00	74.00	73.00

Division Description

The Regulatory Boards are part of the Department of Self-Governing Agencies that include five budgeted programs: four are boards and commissions, and the Bureau of Occupational Licenses which serves 29 boards and commissions. Each professional board and commission regulates certain professions in Idaho. Brief descriptions of each are as follows:

The Board of Accountancy ensures that standards are maintained for certified public accountants and licensed public accountants in Idaho. [Statutory Authority: Section 54-201, Idaho Code, et seq.]

The Board of Professional Engineers and Land Surveyors (IPELS) develops and maintains qualification standards for professional engineers and land surveyors. [Statutory Authority: Section 54-1201, Idaho Code, et seq.]

The Bureau of Occupational Licenses (IBOL) provides administrative, investigative, financial, and legal services to 29 professional licensing boards and commissions which include: Idaho State Board of Acupuncture; Board of Architectural Examiners; Uniform Athlete Agents; Athletic Commission; Board of Barbers and Cosmetologists; Board of Chiropractic Physicians; Contractors Board; Licensing Board of Professional Counselors and Marriage and Family Therapists; Board of Dentistry; Driving Businesses Licensure Board; Genetic Counselors Licensure Board; Board of Registration for Professional Geologists; Board of Landscape Architects; Liquefied Petroleum Gas Safety Board; Board of Massage Therapy; Board of Midwifery; Board of Morticians; Board of Examiners of Nursing Home Administrators; Occupational Therapy Licensure Board; Board of Optometry; Board of Physical Therapists; Board of Podiatry; Board of Psychologist Examiners; Real Estate Appraiser Board; Board of Examiners of Residential Care Facility Administrators; Board of Social Work Examiners; Shorthand Reporters Board; Speech, Hearing, and Communications Services Licensure Board; and Board of Drinking Water and Wastewater Professionals. [Statutory Authority: Section 67-2601, Idaho Code, et seq.]

The Outfitters and Guides Licensing Board regulates the outfitting and guiding industry to safeguard the health, safety, and welfare of the public. [Statutory Authority: Section 36-2105, Idaho Code, et seq.]

The Real Estate Commission licenses real estate brokers and agents and enforces compliance with Idaho real estate license law. The commission develops and administers an education program to meet statutory pre-license and continuing education requirements. [Statutory Authority: Section 54-2005, Idaho Code, et seq.]

Regulatory Boards

Agency Profile

Organizational Chart

Analyst: Otto

Regulatory Boards

Board of Accountancy: Executive Director: Kent Absec Authorized FTP: 4.00 Vacant FTP: 0.25	Board of Professional Engineers and Land Surveyors: Executive Director: Keith Simila Authorized FTP: 5.00 Vacant FTP: 0.00	Bureau of Occupational Licenses: Bureau Chief: Kelley Packer Authorized FTP: 42.00 Vacant FTP: 2.00	Outfitters and Guides Licensing Board: Executive Director: Lori Thomason Authorized FTP: 6.00 Vacant FTP: 1.00	Real Estate Commission: Executive Director: MiChell Bird Authorized FTP: 15.00 Vacant FTP: 2.00
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Performance Report: <https://dfm.idaho.gov/publications/bb/perfreport/>

Outstanding Audit: <https://legislature.idaho.gov/wp-content/uploads/audit/audit-reports/Agency/2018/Occupational%20Licenses%20Bureau.16-17-18.pdf>

Regulatory Boards

Agency Profile

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Performance Measures	Target	FY 2016	FY 2017	FY 2018	FY 2019
Board of Accountancy					
New CPA licenses Issued	115	124	115	141	133
Active Licensees Requesting CPE Extension	3%	2.9%	2.9%	2.7%	2.4%
Complaints Closed Within 180 Days	75%	72%	77%	75%	77%
Firms Peer Reviewed with Second Consecutive Rating Below Pass	2%	5.5%	7.3%	4.9%	1.4%
Authorizations to Test Issued	600	625	588	503	438
Board of Professional Engineers and Land Surveyors					
Presentations Made to Organizations	30	40	45	35	49
Publish a Quality News Bulletin	2	2	2	2	2
Seek Timely Input for Proposed Changes to Legislation	Bills Passed	2	1	1	2
CPD Compliance Rate	95%	New	87%	99%	91%
Applicant Satisfaction Report	Annually	Completed	Completed	Completed	Completed
Meet at Diverse Locations	Boise / 2 Other	4/2	4/2	5/1	4/3
Bureau of Occupational Licenses					
Complaint Acknowledgement Within 10 Days	95%	100%	100%	100%	100%
Minutes Completed Within Two Weeks of Board Meeting	100%	90%	85%	92%	88.4%
Investigative Cases Complete Within One Fiscal Year	95%	99%	100%	99%	93%
Outfitters and Guides Licensing Board					
Outfitters Renewals Processed Within 30 Days	30	20	15	11	13
Designated Agents Renewals Processed Within 30 Days	30	23	17	14	14
Guide Renewals Complete in 20 Days	20	13	7	6	7
Major Outfitter Amendments Processed Within 90 Days	90	46	43	31	70
Minor Outfitter Amendments Processed Within 30 Days	30	8	21	35	15
Designated Agent Amendments Processed Within 30 Day:	30	25	25	17	32
Guide Amendments Processed Within 20 Days	20	9	7	5	10
Education Programs Receive Priority	100%	100%	100%	100%	100%
Investigation of Formal Complaints Initiated Within 14 Day	100%	100%	100%	100%	100%
Alleged Unlicensed Activities Received Priority Attention	100%	100%	100%	100%	100%
Real Estate Commission					
Percentage of Sales Associates Relicense Course Reviewed and Updated for Relevance and Law Changes	25%	No	No	No	0%
Percentage of Broker Relicense Course Reviewed and Updated for Relevance and Law Changes	25%	Yes	No	Yes	40%
License Applications Processed Within 10 Days	100%	Yes	Yes	Yes	100%
Bi-Annual Audit Schedules for Idaho Brokerages	50%	Yes	Yes	No	No
Investigation Complete Within 6-Months	100%	95%	93%	90%	90%
Calls or Emails Responded to Within One Day	100%	Yes	Yes	Yes	100%



April Renfro, Manager

Idaho Legislative Services Office
Legislative Audits Division

IDAHO BUREAU OF OCCUPATIONAL LICENSES

SUMMARY

PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Idaho Bureau of Occupational Licenses (Bureau) covering the fiscal years ended 2016, 2017, and 2018. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

CONCLUSION

We identified deficiencies in the general administrative and accounting controls of the Bureau.

FINDINGS AND RECOMMENDATIONS

There is one finding and recommendation in this report.

Finding 1 – The reviews of invoices for legal services were not documented.

The complete finding is detailed on page 1 of this report.

PRIOR FINDINGS AND RECOMMENDATIONS

The prior management report contained one finding and recommendation, which was evaluated as part of the 90-day follow-up and was satisfactorily closed.

Prior Finding 1 – Several of the boards served by the Bureau of Occupational Licenses continue to report negative cash balances totaling \$509,478.

Status - Closed

Follow-up on the prior finding and recommendation is detailed on pages 3 and 4 of this report.

AGENCY RESPONSE

The Bureau has reviewed the report and is in general agreement with the contents.

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Actual Expenditures		FY 2019
Board of Accountancy		
Total Appropriation		\$552,500
Reverted Appropriation		(\$117,700)
Actual Expenditures		\$434,800
Percentage Difference from Total Appropriation		-21.3%
Board of Professional Engineers and Land Surveyors		
Total Appropriation		\$805,300
Reverted Appropriation		(\$30,100)
Actual Expenditures		\$775,200
Percentage Difference from Total Appropriation		-3.7%
Bureau of Occupational Licenses		
Total Appropriation		\$5,405,800
Reverted Appropriation		(\$97,500)
Current Year Reappropriation		(\$1,021,000)
Actual Expenditures		\$4,287,300
Percentage Difference from Total Appropriation		-20.7%
Outfitters and Guides Licensing Board		
Total Appropriation		\$610,900
Reverted Appropriation		(\$30,400)
Actual Expenditures		\$580,500
Percentage Difference from Total Appropriation		-5.0%
Real Estate Commission		
Total Appropriation		\$1,627,400
Reverted Appropriation		(\$253,600)
Actual Expenditures		\$1,373,800
Percentage Difference from Total Appropriation		-15.6%

Regulatory Boards

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2020 Original Appropriation	72.00	0	8,483,800	72.00	0	8,483,800
Reappropriation	0.00	0	1,021,000	0.00	0	1,021,000
Sick Leave Rate Reduction	0.00	0	0	0.00	0	(11,700)
FY 2020 Total Appropriation	72.00	0	9,504,800	72.00	0	9,493,100
Removal of Onetime Expenditures	0.00	0	(1,212,000)	0.00	0	(1,212,000)
Restore Ongoing Rescissions	0.00	0	0	0.00	0	11,700
FY 2021 Base	72.00	0	8,292,800	72.00	0	8,292,800
Benefit Costs	0.00	0	156,500	0.00	0	(21,700)
Inflationary Adjustments	0.00	0	110,600	0.00	0	107,000
Replacement Items	0.00	0	27,800	0.00	0	27,800
Statewide Cost Allocation	0.00	0	14,200	0.00	0	14,200
Change in Employee Compensation	0.00	0	43,000	0.00	0	85,400
FY 2021 Program Maintenance	72.00	0	8,644,900	72.00	0	8,505,500
1. Additional Investigator	1.00	0	75,100	1.00	0	74,100
2. New Business Analyst	1.00	0	40,800	1.00	0	40,400
3. Statute Changes	0.00	0	30,000	0.00	0	7,400
4. Relocation to Chinden Campus	0.00	0	0	0.00	0	1,502,000
OITS 1 – Operating Costs	0.00	0	0	0.00	0	1,000
OITS 2 – Servers and Licensing	0.00	0	0	0.00	0	19,600
OITS 3 – Agency Tech Consolidation, Phase II	0.00	0	0	(1.00)	0	(47,100)
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2021 Total	74.00	0	8,790,800	73.00	0	10,102,900
Change from Original Appropriation	2.00	0	307,000	1.00	0	1,619,100
% Change from Original Appropriation			3.6%			19.1%

Regulatory Boards

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2020 Original Appropriation					
The Legislature funded six line items for FY 2020: These included \$125,000 for a licensing system for the Board of Accountancy; \$30,000 for a hearing officer and legal costs for the Real Estate Commission; \$64,400 for a new investigator at the Bureau of Occupational Licenses (IBOL); \$45,900 for an office specialist at IBOL; \$44,000 for a hearing officer and legal costs for the Board of Professional Engineers and Land Surveyors (IPELS); \$5,000 for board per diem increases at IPELS; and a total of \$89,100 for technology consolidation and modernization.					
	72.00	0	8,483,800	0	8,483,800
Reappropriation		Bureau of Occupational Licenses			
The Bureau of Occupational Licenses was authorized to carryover its unencumbered and unexpended appropriation balance to upgrade its database from FY 2019 into FY 2020. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2021 base.					
Agency Request	0.00	0	1,021,000	0	1,021,000
Governor's Recommendation	0.00	0	1,021,000	0	1,021,000
Sick Leave Rate Reduction					
Agency Request	0.00	0	0	0	0
The Governor recommends a six-month reduction of funding for employers who contribute to the PERSI-managed sick leave plan. This reduction will begin to draw down the reserve balance, which has grown significantly during the past several years.					
Governor's Recommendation	0.00	0	(11,700)	0	(11,700)
FY 2020 Total Appropriation					
Agency Request	72.00	0	9,504,800	0	9,504,800
Governor's Recommendation	72.00	0	9,493,100	0	9,493,100
Removal of Onetime Expenditures					
This action removes funding for replacement items and line items funded on a onetime basis in FY 2020.					
Agency Request	0.00	0	(1,212,000)	0	(1,212,000)
Governor's Recommendation	0.00	0	(1,212,000)	0	(1,212,000)
Restore Ongoing Rescissions					
Agency Request	0.00	0	0	0	0
The Governor recommends restoration of the 1% sick leave rate reduction.					
Governor's Recommendation	0.00	0	11,700	0	11,700
FY 2021 Base					
Agency Request	72.00	0	8,292,800	0	8,292,800
Governor's Recommendation	72.00	0	8,292,800	0	8,292,800
Benefit Costs					
Employer-paid benefit changes include an 18.9% increase (or \$2,200 per eligible FTP) for health insurance, bringing the total appropriation to \$13,850 per FTP. Also included are a one-year elimination of the unemployment insurance rate, a restoration of the Division of Human Resources rate, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	0	156,500	0	156,500
The Governor recommends no increase for health insurance due to fewer claims than expected and changes to federal tax policies; a one-year elimination of the sick leave rate and the unemployment insurance rate; restoration of the Division of Human Resources rate; and adjustments for workers' compensation rates.					
Governor's Recommendation	0.00	0	(21,700)	0	(21,700)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Inflationary Adjustments					IPELS, IBOL
The Board of Professional Engineers and Land Surveyors (IPELS) requests \$1,200 in ongoing operating expenditures from the State Regulatory Fund for contract inflation due to an increase in its annual lease.					
The Bureau of Occupational Licenses (IBOL) requests \$109,400 in ongoing operating expenditures for inflation. This request includes an increase of \$1,700 for communication costs, \$2,300 for employee travel, \$1,100 for rent, \$800 for supplies, \$3,500 for repair costs, and \$100,000 for a professional services contract.					
Agency Request	0.00	0	110,600	0	110,600
<i>The Governor does not recommend \$1,700 for communication costs, \$1,100 for rent, or \$800 for supplies for the Bureau of Occupational Licenses.</i>					
Governor's Recommendation	0.00	0	107,000	0	107,000
Replacement Items					Bureau of Occupational Licenses
The Bureau of Occupational Licenses requests \$27,800 from the State Regulatory Fund to replace 13 computers, 15 monitors, 13 sound bars, and nine laptops.					
Agency Request	0.00	0	27,800	0	27,800
Governor's Recommendation	0.00	0	27,800	0	27,800
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation.					
The Board of Accountancy's risk management costs will decrease by \$100 and State Controller fees will increase by \$700, for a net increase of \$600.					
The Board of Professional Engineers and Land Surveyors' risk management costs will increase by \$100 and the State Controller fees will increase by \$1,000, for a net increase of \$1,100.					
The Bureau of Occupational Licenses' risk management costs will increase by \$500, State Controller fees will increase by \$10,500, and State Treasurer fees will decrease by \$100, for a net increase of \$10,900.					
The Outfitters and Guides Licensing Board's State Controller fees will increase by \$600.					
The Real Estate Commission's risk management costs will increase by \$100 and State Controller fees will increase by \$900, for a net increase of \$1,000.					
Agency Request	0.00	0	14,200	0	14,200
Governor's Recommendation	0.00	0	14,200	0	14,200
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	43,000	0	43,000
<i>The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>The Governor recommends the pay structure for state employees be moved by 3% and includes \$1,000 for that purpose for the Bureau of Occupational Licenses.</i>					
Governor's Recommendation	0.00	0	85,400	0	85,400
FY 2021 Program Maintenance					
Agency Request	72.00	0	8,644,900	0	8,644,900
Governor's Recommendation	72.00	0	8,505,500	0	8,505,500

Regulatory Boards

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Additional Investigator	Bureau of Occupational Licenses				
The Bureau of Occupational Licenses (IBOL) requests 1.00 FTP, \$62,700 in ongoing personnel costs, \$5,200 in ongoing operating expenditures, and \$7,200 in onetime capital outlay from the State Regulatory Fund. This request would fund an additional investigator position and provide a new computer, work station, and laptop. All complaints received by the bureau are investigated on some level, while some can be closed quickly, others can be time consuming. There are currently 14 investigators located throughout the state and the bureau estimates each investigator completes an average of 35 cases per year. One of IBOL's performance measures is Completing 95% of cases within one fiscal year. In FY 2019 it completed 93% of its cases. IBOL received funding in FY 2020 for a new investigator, but has expressed the need for one more. Complaints over the last five years are:					
FY 2015: 730;					
FY 2016: 864;					
FY 2017: 911;					
FY 2018: 1,010; and					
FY 2019: 901.					
Agency Request	1.00	0	75,100	0	75,100
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	74,100	0	74,100
2. New Business Analyst	Bureau of Occupational Licenses				
The Bureau of Occupational Licenses (IBOL) requests 1.00 FTP, a fund shift of \$53,000 from operating expenditures to personnel costs, an additional \$35,000 in personnel costs, and \$5,800 in onetime capital outlay from the State Regulatory Fund. This request would fund a new business analyst position and provide a new computer, monitor, and work station. IBOL and the Board of Medicine currently share the cost of a position at the Office of Information Technology Services, but with the Board of Medicine's new system in place, and IBOL receiving an upgrade on its system, it believes a full-time person is needed. This position would help with IT, assist in implementation of the new database upgrade, and develop new business processes within the bureau. The total difference from the base appropriation would be \$35,000 ongoing and \$5,800 onetime.					
Agency Request	1.00	0	40,800	0	40,800
<i>Recommended by the Governor with changes for benefits and compensation.</i>					
Governor's Recommendation	1.00	0	40,400	0	40,400
3. Statute Changes	Bureau of Occupational Licenses				
The Bureau of Occupational Licenses (IBOL) requests \$7,400 in ongoing personnel costs to increase all board member pay to \$100 per day and \$22,600 in onetime operating expenditures to implement a name change. IBOL currently oversees 29 boards, encompassing 146 board members. IBOL is proposing legislation that would bring all board members to the same daily pay rate of \$100. Additionally, in the same legislation, IBOL will propose a name change from bureau to division. The \$22,600 would be used to update signage and business cards to reflect this change. This request would only be needed if legislation passes.					
Agency Request	0.00	0	30,000	0	30,000
<i>The Governor recommends \$7,400 to align the board member honorarium.</i>					
Governor's Recommendation	0.00	0	7,400	0	7,400
4. Relocation to Chinden Campus	Bureau of Occupational Licenses				
Agency Request	0.00	0	0	0	0
<i>The Governor recommends \$1,502,000 from the State Regulatory Fund to move the agency to the Chinden Campus. Of this amount, \$126,000 is ongoing and \$1,376,000 is onetime.</i>					
Governor's Recommendation	0.00	0	1,502,000	0	1,502,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
OITS 1 – Operating Costs			IPELS, IBOL, IREC, OGLB		
Agency Request	0.00	0	0	0	0
<i>The Governor recommends these agencies share of ongoing funding to pay the Office of Information Technology Services for security software and data center office space located at the Chinden Campus.</i>					
Governor's Recommendation	0.00	0	1,000	0	1,000
OITS 2 – Servers and Licensing			ISBA, IPELS, IBOL, IREC, OGLB		
Agency Request	0.00	0	0	0	0
<i>The Governor recommends these agencies onetime share of funding for software licensing, server infrastructure, and storage to expand system capabilities on core systems and to maintain agency-specific software.</i>					
Governor's Recommendation	0.00	0	19,600	0	19,600
OITS 3 – Agency Tech Consolidation, Phase II			Real Estate Commission		
Agency Request	0.00	0	0	0	0
<i>The Governor recommends Phase II of the consolidation of technology services in specific agencies.</i>					
Governor's Recommendation	(1.00)	0	(47,100)	0	(47,100)
Budget Law Exemptions			Bureau of Occupational Licenses		
In FY 2018, the agency received an appropriation of \$255,300 from the State Regulatory Fund to begin an upgrade of its database used for occupational licensing. The project was estimated to take five years and total \$1,276,300. In FY 2019, the agency received a onetime appropriation for \$1,021,000 to cover years two through five of the project, with the intent to request carryover authority each year until the project was completed. To date, the agency has not spent any money on the project and is requesting that the appropriation be carried over to FY 2021. The project has not been started because the vendor is finishing the upgrade for the Board of Medicine and then will begin work on the this project. The project was estimated to start at the beginning of calendar year 2019 but has been delayed. The estimated cost of the project is now between \$1,250,000 and \$1,500,000.					
Requested language: REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Bureau of Occupational Licensing Program any unexpended and unencumbered balances appropriated to the Bureau of Occupational Licensing from the State Regulatory Fund for the database upgrade for fiscal year 2020, to be used for nonrecurring expenditures related to the system upgrade for the period July 1, 2020, through June 30, 2021.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2021 Total					
Agency Request	74.00	0	8,790,800	0	8,790,800
Governor's Recommendation	73.00	0	10,102,900	0	10,102,900
Agency Request					
Change from Original App	2.00	0	307,000	0	307,000
% Change from Original App	2.8%		3.6%		3.6%
<i>Governor's Recommendation</i>					
Change from Original App	1.00	0	1,619,100	0	1,619,100
% Change from Original App	1.4%		19.1%		19.1%